Alberta Economy

Indicators at a Glance

Economic Activity

The Alberta Activity Index (AAX) continued to level off in October. The AAX was up 5.3% year-over-year (y/y) due to broad-based improvements. In 2016, Alberta's real GDP by expenditure fell by 3.7%, the largest drop among the provinces for the second year in a row.

Population

Alberta's population was 4,306,039 as of October 1, 2017, an increase of 1.3% from the year prior. Canada's population grew 1.3% from a year ago.

Migration

Net migration to Alberta was 11,106 in the third quarter of 2017. During this time, Alberta welcomed 10,363 net international migrants, while there was a net inflow of interprovincial migrants (+743) for the first time in eight quarters.

Employment[1]

The economy added 26,300 jobs in December, mostly in the self-employed and private sectors. Employment increased 2.4% y/y, reflecting employment gains in both the goods (+4.9% y/y) and services (+1.6% y/y) sectors.

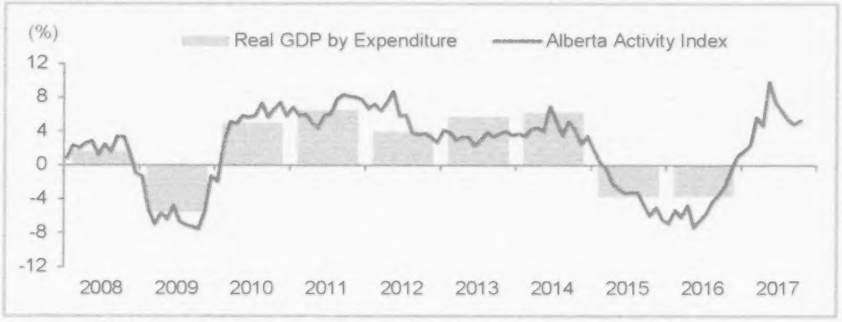
Unemployment Rate[1]

Alberta's unemployment rate fell 0.4 percentage points to 6.9% in December. Canada's unemployment rate declined 0.2 percentage points to 5.7%.

Rigs Drilling

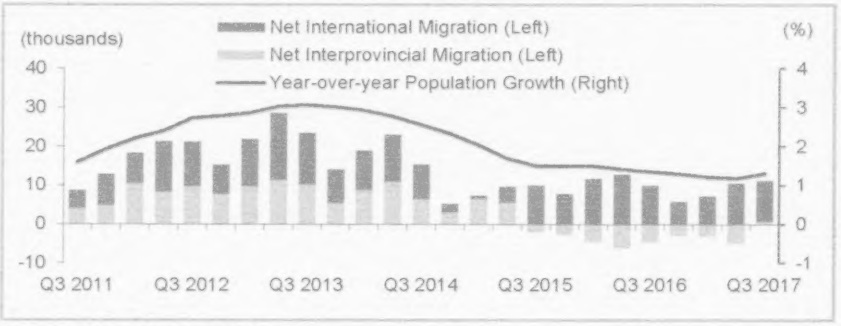
The number of active rigs in Alberta averaged 155 in December, up 2.9% y/y. The average rig utilization rate was 30% for 2017 up from 17% in 2016.

Economic Activity
Year-over-year % change



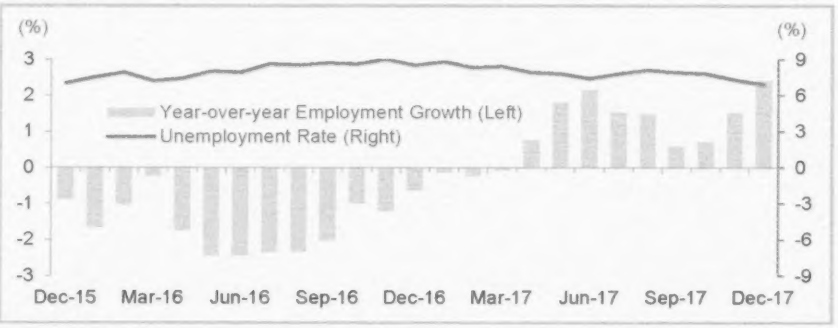
Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics
Quarterly



Source: Statistics Canada

Labour Market
Monthly



Source: Statistics Canada

Inflation

The Alberta Consumer Price Index (CPI) jumped by 1.2 percentage points to 2.5% y/y in November fueled by a spike in gasoline prices. Excluding food and energy prices, core inflation rose by 0.5 percentage points to 1.4% y/y.

Average Weekly Earnings[1]

Average weekly earnings (AWE) in Alberta ticked lower by 0.1% m/m in October to $1,143. Earnings increased 3.5% y/y as both the goods and service sectors earnings improved from a year ago.

Retail Sales[1]

Alberta retail sales grew 0.8% m/m to $6.8 billion in October. Retail sales are up 7.8% y/y, the eleventh consecutive month of year-over-year gains.

Housing Starts[1]

Alberta housing starts decreased 33% m/m in December to 23,104 units (annualized). Housing starts were down 12% y/y, as a gain in single-family starts (+7.8% y/y) was more than offset by a drop in multi-family starts (-33% y/y).

New Housing Price Index

In November, Alberta's New Housing Price Index (NHPI) rose by 0.4% y/y, with both land (+0.4% y/y) and the house-only components (+0.4% y/y) were up.

Building Permits[1]

Alberta building permits were up 17% y/y in November to $1.3 billion. Both residential (+15% y/y) and non-residential permits (+20% y/y) were higher than a year ago.

[1] Seasonally adjusted

Contact

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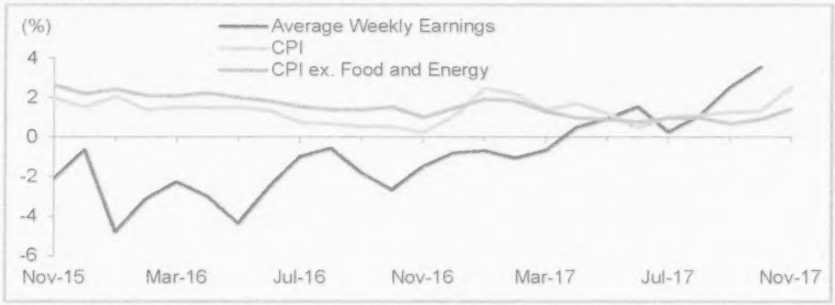
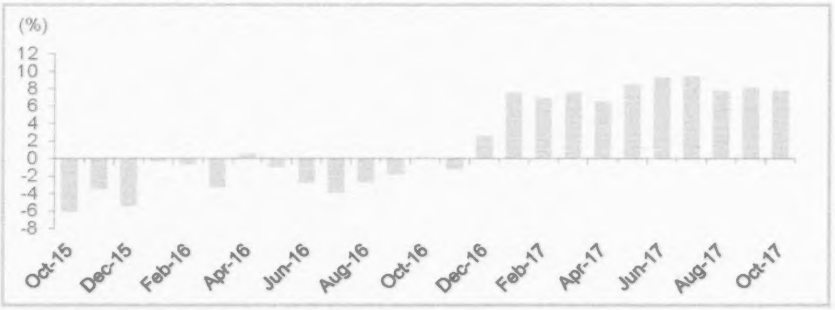
Inflation and Earnings
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales
Monthly, year-over-year % change



Source: Statistics Canada

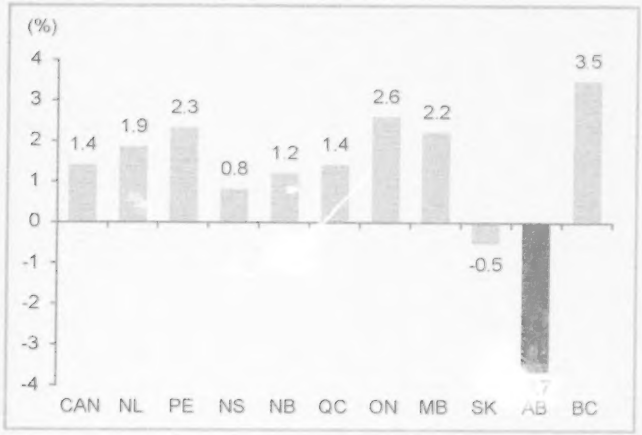
Housing Market
Monthly

Source: Statistics Canada, Canada Mortgage and Housing Corporation

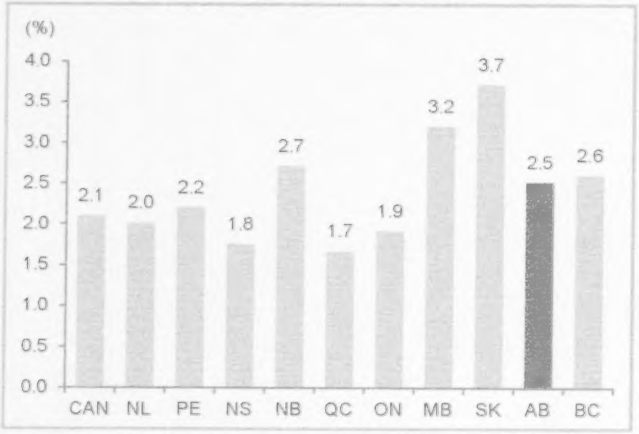
	Canadian Dollar (USc/$CAN)	WTI Oil ($US/bbl)	NYMEX Natural Gas ($US/MMBtu)	Alberta Reference Price ($C/GJ)
Latest (January 18, 2018)	80.35	63.95	3.19	1.92 (November)
Fiscal year-to-date	77.77	51.28	3.00	1.87

Please see the *Weekly Economic Review* for current analysis on the Alberta economy.

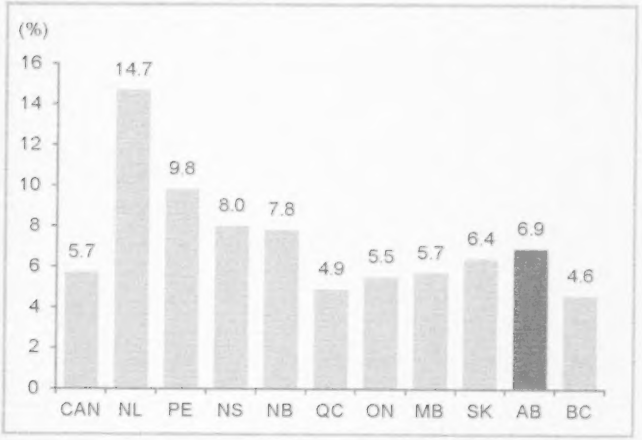
Real GDP by Expenditure
(2016, year-over-year growth)



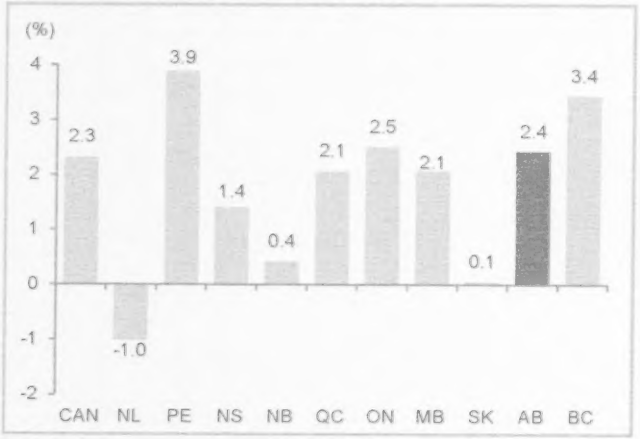
CPI Inflation
(November 2017, year-over-year growth)



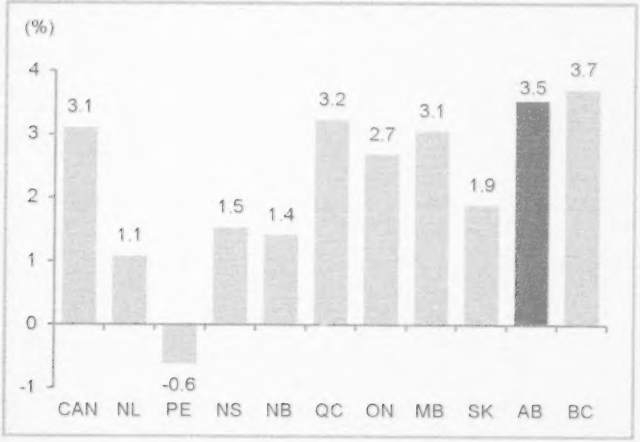
Unemployment Rate
(December 2017)



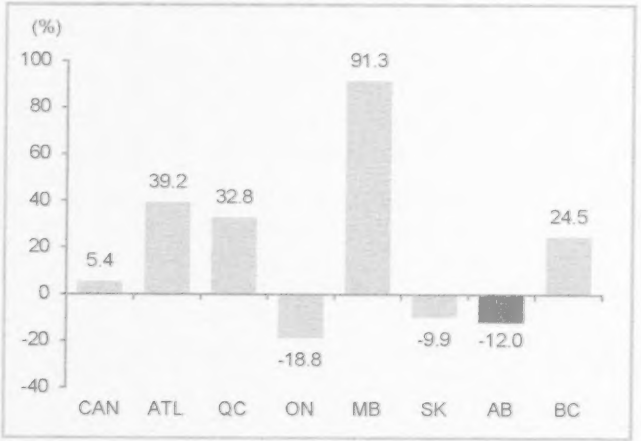
Employment
(December 2017, year-over-year growth)



Average Weekly Earnings
(October 2017, year-over-year growth)



Housing Starts
(December 2017, SAAR, year-over-year growth)



Alberta Economic Indicators

	2016	2017YTD	2018YTD	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Alberta Activity Index (y/y % change)	-4.4	5.3		6.4	5.4	4.8	5.3		
Population[1]									
Population (thousands)	4,236	4,266	4,306	4,266			4,306		
y/y % change	1.4	1.2	1.3	1.2			1.3		
Net Interprovincial Migration	-15,108	-15,131	743	-4,914			743		
Net International Migration	42,102	33,210	10,363	10,400			10,363		
Labour Market									
Employment (thousands, SA)	2,264	2,287		2,284	2,287	2,279	2,291	2,296	2,322
m/m change (thousands)				-14.4	2.3	-7.8	11.9	5.4	26.3
y/y % change	-1.6	1.0		1.5	1.5	0.6	0.7	1.5	2.4
Unemployment Rate (%, SA)	8.1	7.8		7.8	8.1	7.9	7.8	7.5	6.9
Participation Rate (%, SA)	72.5	72.4		72.2	72.5	72.0	72.2	71.9	72.5
Average Weekly Earnings ($, SA)	1,119	1,126		1,127	1,133	1,144	1,143		
y/y % change	-2.4	0.8		0.2	1.1	2.6	3.5		
Household Sector									
Retail Sales ($ million, SA)	75,116	67,316		6,769	6,718	6,759	6,812		
y/y % change	-1.2	8.0		9.5	7.8	8.1	7.8		
NEW New Vehicle Sales (units, thousands)	224	232		22	22	23	20	19	
y/y % change	-7.6	12.1		14.3	18.4	0.8	17.4	-0.7	
Consumer Price Index (y/y % change)	1.1	1.5		1.0	1.1	1.3	1.3	2.5	
Excluding Food & Energy	1.7	1.1		1.0	1.0	0.7	0.9	1.1	
Housing Starts (SAAR, 000's)	24.5	29.3		33.9	26.2	29.2	29.7	34.6	28.1
y/y % change	-34.2	19.3		32.4	31.6	2.7	16.4	37.3	-12.0
New Housing Price Index (y/y % change)	0.5	-0.2		0.0	0.1	0.3	0.4	0.4	
NEW Resale Home Sales	52,166	52,170		4,515	4,600	4,681	4,578	4,920	5,579
y/y % change	-7.6	9.6		0.7	5.5	4.9	-5.9	16.2	22.5
NEW Sales to New Listing Ratio	0.49	0.49		0.46	0.47	0.48	0.47	0.52	0.57
NEW MLS Average Resale Prices ($ thousands)	395	398		395	395	393	399	388	386
y/y % change	0.4	0.9		-1.9	0.5	-1.5	0.9	2.6	4.0
Consumer Bankruptcies (level)	5,427	4,255		328	450	404	450		
y/y % change	26.8	-6.7		-13.9	2.5	-11.8	2.3		
Business Sector									
Goods Exports (customs based, $ million)	78,905	91,095		7,611	8,133	7,452	8,493	8,415	
y/y % change	14.6	28.3		23.2	15.0	6.8	21.0	7.4	
Energy Products ($ million)	51,537	63,153		5,069	5,738	5,027	5,828	5,793	
y/y% change	-17.5	37.3		27.8	18.9	8.0	25.6	5.2	
Agricultural Products ($ million)	6,284	6,709		540	520	496	741	663	
y/y % change	-2.9	17.1		12.3	19.2	4.8	35.3	8.6	
Rigs Drilling	79	128		119	126	127	133	143	155
y/y% change	-34.0	62.5		103.6	66.8	59.7	31.3	32.4	2.9
NEW Manufacturing Shipments ($ million, SA)	62,703	64,852		5,796	5,880	5,873	5,906	6,071	
y/y% change	8.0	13.5		10.3	9.7	10.5	13.7	10.4	
Wholesale Trade ($ million, SA)	71,765	65,801		6,804	6,670	6,697	6,790		
y/y% change	-9.6	10.3		15.4	10.8	14.1	15.0		
Building Permits ($ million, SA)	14,200	12,511		1,097	1,153	1,330	1,006	1,264	
y/y% change	-15.2	-6.4		8.2	5.4	11.7	-50.5	17.3	
Residential Permits ($ million, SA)	7,939	7,536		666	779	695	601	691	
y/y % change	-19.7	0.9		11.3	29.8	-0.5	-56.1	14.9	
Non-Residential Permits ($ million, SA)	6,270	4,975		371	373	624	404	573	
y/y% change	-8.8	-15.7		-30.2	-24.3	29.4	-38.9	20.5	
Non-Res. Building Cons. Price Index[2] (y/y % change)	-2.8	0.2				0.9			

[1] Population data presented on a census year basis (July 1– June 30). The current census year 2017.

[2] Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

Sources: All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).All historical data are subject to revision